Nova Scotia

NOVA SCOTIA
HOUSE OF ASSEMBLY
APRIL 15, 1988

BUDGET ADDRESS

PROVINCE OF NOVA SCOTIA
1988-89

HONOURABLE GREG KERR
MINISTER OF FINANCE

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BUDGET ADDRESS

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Honourable Greg Kerr
Minister of Finance

INTRODUCTION

I am honoured once again to present to the Legislature and the people of Nova Scotia the government's budgetary plan for the 1988-89 fiscal year.

The past year has been one of tremendous progress and outstanding accomplishments in both the financial and economic performance of this province.

Tremendous accomplishments in financial and economic performance

Last year I outlined to you several of the aims and initiatives this government had planned for 1987-88. We realized at that time that a number of our goals would be difficult to accomplish given mounting demands on scarce public resources. A strong sense of commitment and responsibility towards both the financial stability and the people of this province provided the strength and resolve necessary for us to achieve these objectives.

As a result of sound fiscal management and the tremendous effort of so many who share our ambitions for Nova Scotia, significant strides have been made during the past year.

The budget process, which has been expanded to include a three-year fiscal plan, has been greatly enhanced by our continuing efforts to examine the efficiency and cost effectiveness of government programs and services.

The significant strides we have made during 1987-88 will provide an excellent springboard for the government's initiatives during the upcoming year.

At the same time we will continue to build upon the tremendous natural and human resource potential of this province and implement policies that will strengthen and secure future economic opportunities for Nova Scotians.

While our efforts and ambitions for a progressive economy must take the lead as we move into the 1990's, we must also remain steadfast in our commitment to the social needs of Nova Scotians. The protection and enhancement of essential programs and services will remain of utmost importance to this government.

Commitment to social needs of Nova Scotians

Several of the initiatives which the government will pursue in this fiscal year shall be described in greater detail later in my remarks. At this point, however, I would like to highlight the tremendous economic progress that has been achieved during the past year and the encouraging prospects that are expected over the course of 1988.

ECONOMIC ENVIRONMENT

It is with great pleasure that I am able to report today that all resource-based and service sectors in this province experienced solid real economic growth throughout 1987. The strength and diversity of both our natural and human resources have clearly been working together to make this possible.

Outstanding accomplishments in several areas provided for total economic gains which surpassed all earlier expectations.

Overall real growth in the Nova Scotia economy averaged 3 percent for the year. The resource-based industries performed very well, led by the exceptional performance of the fishery for the second consecutive year.

Fishery – best year ever

The total market value of fish landings achieved record levels in 1987 – increasing by 32 percent to an estimated processed value of $1 billion. This success contributed to an overall real growth of 15 percent for the fishing sector last year. This makes 1987 the best year ever for this industry.

The record performance of the fishery in 1987 can be largely attributed to a greater demand for fish products, improved product quality and aggressive marketing.

Record year for mining exploration

Mining also posted significant gains in 1987 with output increasing by 5 percent in real terms. Gold accounted for most of the estimated $80 million that was earmarked for mining exploration in the province throughout the year. This established an annual expenditure record for mining exploration.

Production of tin in concentrate in the province rose 51 percent over 1986 levels due to strong tin prices. This resulted in an excellent year for the industry.

Substantial gains were also experienced in coal and gypsum over the past year. The production of saleable coal increased by a remarkable 23.4 percent to 3.4 million tonnes for the year. Gypsum shipments through the Port of Halifax rose 10.2 percent during 1987, reflecting continued strength in construction activity in the United States.

Strong real growth of 4 percent was experienced in agriculture in Nova Scotia during 1987. The healthy expansion of this traditional industry was spurred by strong performances in both the crop and livestock sectors. An additional 1000 people were employed in this industry last year. Nova Scotia's net farm income increased by 30 percent as a result of higher farm cash receipts and lower costs. Agriculture has tremendous potential in Nova Scotia and will continue to be an important component of our diverse economy.

Real economic growth in forestry during 1987 was once again supported by increased sales of pulpwood and saw logs. Factors contributing to this success included higher prices and strong demand for pulp, paper and lumber products. Favourable United States and European markets and strong housing starts in the province were of great benefit to the forest industry.

Confidence in the Nova Scotia economy

Confidence in the Nova Scotia economy was demonstrated by the exceptional 17 percent growth in machinery and equipment investment during 1987. The healthy increase resulted from modernization of several manufacturing plants within the province.

Construction activity was also robust during the year. Non-residential capital and repair expenditures increased 15 percent over 1986 levels.

As well, residential construction demonstrated another exceptional year with housing starts reaching an estimated 6700 units. This level of activity remains high by historic standards and continues to have a significant impact on our economy.

The construction sector offered substantial employment opportunities for Nova Scotians throughout 1987. An additional 2000 people were employed in this industry compared to one year earlier.

In 1987 tourism experienced its best season of the decade. This success can be attributed to major attractions such as the Canada Winter Games, the International Gathering of the Clans, the Buskers Festival, and many traditional festivals and exhibitions which were held throughout the province. Tourism is expected to be a $1 billion a year industry in Nova Scotia by 1992.

Tourism – best season of the decade

Retail sales in the province exhibited an 8.4 percent gain over 1986 levels. Personal income growth of 7.3 percent and an inflation rate below the national level contributed to strong consumer spending last year.

The transportation sector of the province played an equally important role in the economic progress achieved last year. Cargo tonnage through the Port of Halifax shattered all previous records with a total of 15.8 million tonnes being handled. The major impetus to this tremendous growth of 11.9 percent over the previous year originated from the first full year of operation of seven new container lines.

Port of Halifax – previous record shattered

The value of Nova Scotia's merchandise exports demonstrated a 9.6 percent increase during 1987. This is an exceptional performance when compared to the considerably lower growth rate of 2.3 percent experienced nationally.

The tremendous success demonstrated in all sectors during 1987 has translated into many more jobs for Nova Scotians.

Labour force statistics for the first three months of this year show a phenomenal increase in the employment levels of this province. In March the number of people employed in Nova Scotia was a remarkable 27,000 higher than for the same month last year. This significant increase has resulted in a lowering of the seasonally adjusted unemployment rate for Nova Scotia to a very encouraging 10.2 percent. The trend during the first three months of 1988 signals tremendous employment prospects for Nova Scotians.

Tremendous employment prospects

Steady real growth is once again forecast for the economy as a whole during 1988.

Capital investment is expected to exhibit a strong performance, spurred largely by healthy increases in machinery and equipment expenditures.

Expanded coal production will contribute to an expected rise in mining output for Nova Scotia throughout 1988.

Provincial pulp and paper mills can also look forward to an excellent year, given the increase in demand for paper products anticipated throughout the North American markets.

The service industries of this province will continue to provide stability and economic opportunities in the coming year.

The richness and diversity of our provincial economic base will once again ensure that the Nova Scotia economy continues to expand through 1988.

FISCAL SITUATION 1987-88

The government's plan for progress during 1987-88 was outlined in my budget address of one year ago. I spoke at that time of the importance of sound financial management and fiscal responsibility. I made it clear that reducing the deficit was the best way to ensure that the resources required to meet the program and service needs of Nova Scotians would continue to be available.

It is with a sense of pride and accomplishment that I am able to speak today of our success in implementing this philosophy and realizing our objectives.

The 1987-88 deficit targets established one year ago have not only been met but surpassed.

Deficit reduced by $64.6 million

The fiscal plan called for a 1987-88 operating deficit of $185.3 million. I am very pleased to announce that the 1987-88 deficit has been reduced to $120.7 million. This incredible $64.6 million reduction is 34.9 percent better than outlined in last year's fiscal plan.

Reducing the deficit below the target has been accomplished without any disruption in the services and programs that Nova Scotians enjoy.

We are making significant progress. **Our commitment to reducing and eventually eliminating the provincial deficit is well underway and will be achieved.**

This excellent performance testifies to the effectiveness of two government initiatives introduced last year – the establishment of multi-year fiscal targets and the ongoing strategic planning process. These measures have greatly assisted government in preparing future programs and policies in an efficient and effective manner.

Total ordinary revenues for the 1987-88 fiscal year exceeded original expectations by $52.8 million. Even with these higher revenues, however, the government did not alter its course of expenditure restraint during the past year.

Net ordinary expenditures for 1987-88 are forecast to be $12.3 million lower than estimated in last year's budget.

Fiscal management working

A commitment to sound fiscal management enabled every dollar of additional revenue to be applied directly to reducing the operating deficit.

Net capital expenditures for 1987-88 are forecast to be $226.9 million, or $14.3 million lower than original budget estimates.

Total financial requirements for 1987-88 are now expected to be $418.3 million, $92.6 million less than estimated.

It is obvious that the fiscal plan and financial management policies of this government are working.

The net operating deficit has been cut in half in only two years and we are well on the way to achieving a balanced operating budget.

FISCAL PLAN 1988-89

Elimination of the deficit remains a top priority. The challenge for the upcoming year will be to continue deficit reduction while proceeding with our efforts to strengthen economic growth throughout the province and to protect the quality and excellence of essential services available to Nova Scotians.

We remain confident that our goals can continue to be achieved through sound fiscal management and a balanced yet sensitive approach to the needs of Nova Scotians.

The net operating deficit estimated for 1988-89 is $117.9 million. This represents a substantial decrease of $32.1 million below the target indicated in last year's fiscal plan.

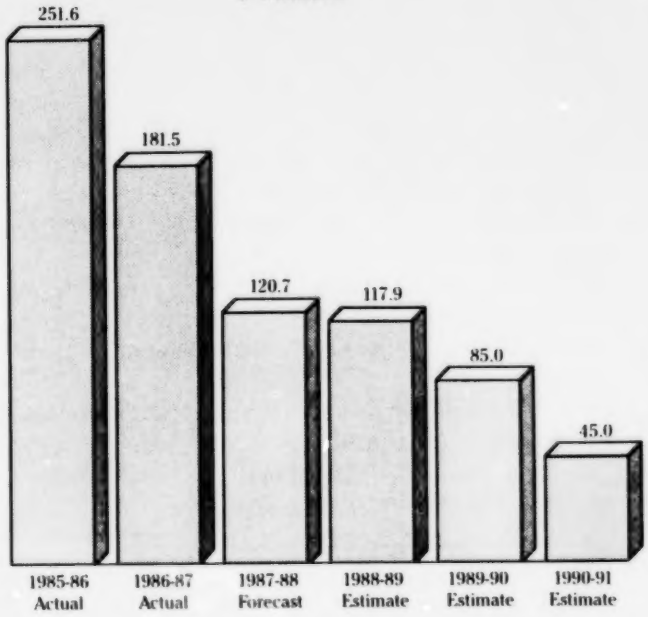
Third consecutive year of deficit reduction

This is the third consecutive year that a reduction has been achieved in the province's net operating deficit.

Given these excellent results, it is with a sense of confidence and commitment that we are now reducing the future targets for the operating deficit below those outlined in last year's Budget Address. This means that we will continue to move steadily towards elimination of the deficit.

FISCAL PLAN FOR DEFICIT REDUCTION

$ Millions



We are extending our fiscal targets to encompass the three-year period 1988-89 to 1990-91. The provincial net operating deficit is expected to drop from $117.9 million in the current year to $85.0 million in 1989-90 and $45.0 million in 1990-91.

REDUCTION IN DEFICIT TARGETS

$ Millions

	Fiscal Plan		Accelerated Reduction
	1987	1988	in Targets
1987-88	185.3	120.7	64.6
1988-89	150.0	117.9	32.1
1989-90	120.0	85.0	35.0
1990-91	—	45.0	—

Working towards a balanced budget

We are pleased with the success of our efforts to reduce the deficit in recent years. We remain convinced that the sensible and realistic approach to deficit reduction that we have put in place is the best means of achieving a balanced budget without placing economic opportunities and essential services at risk.

The financial requirements for 1988-89 are estimated to be $498.3 million. The targets for total financial requirements have been set at $435.0 million in 1989-90 and $365.0 million in 1990-91. We have not altered our resolve to reduce the total financial requirements of government over the next few years.

The ultimate aim of our long-term fiscal plan is to balance the operating budget and borrow only for capital requirements.

The capital program is critical to achieving the economic and social objectives of government. Construction of hospitals and schools is required to meet the future

health and education needs of Nova Scotians. Expansion of the transportation system ensures that the province has the necessary infrastructure to attract investment and expand economic opportunities. As well, a number of special projects arise that require the government to take action for the long-term economic well-being of the province.

In 1988-89 net capital expenditures of the province are estimated to total $288.1 million.

Sysco modernization

The modernization of the Sydney Steel Plant requires a $22.4 million commitment from the Government of Nova Scotia for this year. We consider this expenditure to be critical to the economic viability of the plant's operation and the long-term economic benefits to industrial Cape Breton.

Aggressive hospital construction

The aggressive program of hospital construction and renovation that has been initiated represents an important commitment by the government to upgrade the quality and level of health care in Nova Scotia. In 1988-89 net capital costs to the province will be close to $40 million.

Net capital expenditures on transportation will be approximately $112.8 million in 1988-89, reflecting the completion of several projects vital to the provincial infrastructure over the long-term. The economic benefit of these initiatives will be experienced long after the costs have been incurred.

As well, over $100 million of additional capital expenditures will be made in other areas such as Municipal Affairs, Industry, Trade and Technology, Small Business Development, Tourism and Culture, Lands and Forests and Environment.

Capital expenditures have a very positive impact on the job market.

PROMOTING JOBS AND ECONOMIC DEVELOPMENT
1988-89

	Gross Expenditures ($ Millions)
Public Works and Construction	**$253.6**
Transportation	126.0
Hospital Construction and Renovation	45.4
Municipalities	25.0
Other	57.2
Industrial and Resource Development	**67.4**
Nova Scotia Farm Loan Board	14.0
Fisheries Development Fund	10.0
Nova Scotia Business Capital Corporation	28.6
Small Business Development Fund	5.0
Other	9.8
Funds For Economic Investment	**147.6**
Housing Development Fund	**47.5**
Small Business Development	**16.4**
Provincial Employment Program	5.6
Other Small Business Programs	10.8
Total	**532.5**

Government expenditures not only provide a wide range of programs and services for Nova Scotians, but also support jobs throughout the province. As an example, thousands of people are employed through ordinary expenditures such as grants to school boards and hospitals. Also, more than $500 million is being spent directly on promotion of economic development and jobs in Nova Scotia.

Capital expenditures mean jobs

ESSENTIAL SERVICES

Once again Nova Scotians can be assured that deficit reduction is not being achieved at the expense of essential service programs in the health, education and social service areas. Through careful planning and sound management the level and quality of these services has not, and will not, be compromised.

In 1988-89 the government's commitment to high quality health care for the people of this province will exceed $1 billion. This major investment will enable the delivery of a wide range of excellent programs and services designed to meet the comprehensive health care needs of Nova Scotians.

Commitment to high quality health care

To ensure our hospitals are able to continue to provide their excellent level of patient care, we will be allocating funds of over $631 million for this purpose during this fiscal year.

The availability of a medical profession second to none continues to be a tremendous advantage enjoyed by Nova Scotians. To preserve this calibre of medical care, the government will provide over $200 million for the payment of insured physicians' services. A further $78 million will be directed towards a wide variety of additional medical services such as Pharmacare, Children's Dental Services and a host of special drug programs designed to ease the cost burden of those in need.

The health care delivery system must continue to respond and provide for the ever changing needs of Nova Scotians. Towards this end, the government has provided for a substantial increase in Community Health Care funding for 1988-89.

The Heart Health Program, with its special emphasis on preventative care, will greatly enhance our efforts to help Nova Scotians in the prevention of cardiovascular disease.

Funding is also provided for the health care component of the Provincial Home Care Program for seniors and the disabled.

These are among the many important programs that the government will continue to provide to meet the health care needs of Nova Scotians.

Our commitment to a well-educated and skilled workforce is evident by the expenditures that will be made through several departments during 1988-89. Over $930 million will be spent on all facets of education and training in Nova Scotia this year.

Committed to well-educated and skilled workforce

Grants to School Boards are estimated to total $518.1 million and Assistance to Universities will rise to more than $200 million for the year.

In an effort to help students advance their education, Financial Assistance for Students will increase by 13.2 percent over the amount forecast for last year. Expenditures on this vital program are estimated to be $12.6 million.

Expenditures on training programs are expected to total $60.3 million, representing an increase of 10.1 percent over last year.

The government is continuing to work in a sensitive and responsive way to meet the social needs of Nova Scotians. In 1988-89 we have committed over $365 million to a wide range of social programs and services that will assist many individuals and families throughout the coming year.

Responsive to the social needs of Nova Scotians

Our commitment to the special requirements of many less fortunate Nova Scotians

has not wavered. Through the Family Benefits program of the Department of Community Services an estimated $134.3 million will be provided to individuals or families who are in need. Nova Scotians who will benefit under this program include the disabled and single parents.

We will continue to work with our municipalities in meeting the social needs of Nova Scotians. Over $110 million has been directed towards municipal social services to fund such initiatives as Homes for Special Care, Regional Rehabilitation Centres and general assistance payments.

Funding for day care subsidies will increase by 34 percent this year.

PROGRAMS FOR SENIORS

We are proud of the wide range of services and programs that have been put in place to improve the quality of life of senior citizens in Nova Scotia. In 1988-89 major programs provided specifically for seniors will total $140 million. These expenditures reflect our efforts to meet the economic and social needs of this important segment of our society. When coupled with other equally important programs and services such as hospital and medical care, there can be no doubt of the government's commitment to the senior citizens of our province.

PROGRAMS FOR SENIOR CITIZENS

	($ Millions)
• Pharmacare	59.0
• Home Care	6.8
• Rental Assistance	2.0
• Property Tax Rebate	3.7
• Special Payments to Seniors	10.6
• Homes for Special Care	42.9
• Senior Citizens Assistance for Home Repairs and Maintenance	5.6
• Seniors Rent-to-Income Housing	9.4
Total Programs for Seniors	**140.0**

Nova Scotia has the most extensive drug assistance program available to seniors in all of Canada. In 1988-89 the cost of the Pharmacare program will total $59.0 million.

Comprehensive home care strategy

One of the most important developments for seniors over the past year has been the implementation of a comprehensive home care strategy. This co-ordinated approach to providing senior citizens with a wide range of health and homemaker services within their homes will ensure greater independence and an enhanced quality of life for many Nova Scotians. In 1988-89 funding for these initiatives for seniors in the Departments of Health and Fitness and Community Services are estimated to be $6.8 million.

Provision of residential and nursing home care for seniors is also an important priority of the government. Operating and capital expenditures for Homes for Special Care relating to seniors will approximate $43 million this year.

Special annual payments to senior citizens will total $10.6 million in 1988-89. This program represents an important commitment of the government towards improving the income levels of many senior citizens.

Housing initiatives for seniors

The Seniors Rental Program is vital to ensuring that senior citizens have affordable housing in the province. A review of this important program has occurred and this budget reflects steps that have been taken to enrich it. In 1988-89 expenditures will be in excess of $2.0 million, which is more than double the funding for the previous year.

Funding for the Property Tax Rebate Program for seniors will total $3.7 million this year.

Another important program relating to the housing needs of seniors is provided by the Department of Housing. The Senior Citizens Assistance Program provides financial aid to seniors who wish to remain in their own homes but who cannot afford the cost of repairs and maintenance. Funding will total $5.6 million, representing a 9.6 percent increase over last year.

As well, the department will be providing $9.4 million in operating and capital funding for public non-profit housing for seniors.

PLANNING FOR THE FUTURE

The government is also taking steps to ensure that, over the long-term, programs and services are delivered in the most cost-effective manner possible and meet the ever changing needs of society.

Strategic Planning Process The Strategic Planning Process that I outlined in last year's budget has now been established as an integral part of the government's policy making process. The recent restructuring of government and many of the new initiatives that have been announced are a direct result of this vital operation. Its ongoing success will ensure that the government remains responsive to the needs of Nova Scotians and continues to manage public spending effectively.

Royal Commission on Health Care Last year I outlined a number of factors beyond the budgetary control of the province that influence the utilization and costs of health services. While we are proud of the excellent health care system available to Nova Scotians, we must be prepared to deal with the tremendous cost pressures that accompany the delivery of a wide range of programs and services. In a sensitive yet realistic way, we must be prepared to address these growing costs to ensure that sufficient funds are available to meet the future health care needs of our citizens.

For this reason, the government appointed the Royal Commision on Health Care to conduct a comprehensive and independent review of costs of the health care delivery system and to make recommendations. The Commission is embarking upon a series of public meetings this month to hear the views of Nova Scotians.

Community College System The development of a Community College System in the province is another important initiative to ensure that Nova Scotians are educated and trained for the jobs of the future. This system will encourage greater co-operation between industry, business and government, and strengthens our commitment to meet the educational requirements of Nova Scotians.

Child Care The government is presently involved in negotiations with the Government of Canada to conclude a federal-provincial agreement on child care. This will provide for a significant increase in the number of subsidized day care spaces in the province over the next seven years.

While we support the efforts of the federal government to improve the national child care system, it will not be without cost. During our negotiations with the Government of Canada we will be striving to ensure that there is a long-term federal commitment to this expensive program.

Senior Citizens Planning to meet the future needs of our senior citizens is another important priority of the government. The Senior Citizens' Secretariat is continuing its in-depth study of the future impact of an aging population on the services and programs offered by government. This review will help ensure that the delivery systems are in place to efficiently and effectively meet the needs of the growing population of seniors.

ENVIRONMENTAL ENHANCEMENT

A key to improving the future economic and social well-being of Nova Scotians rests with preserving and enhancing the environment in which we live.

Our environment – a priority

In recent months a number of major environmental initiatives have been announced by the government. This budget provides the financial resources that will enable us to honor our commitment to this vital aspect of Nova Scotia life.

In 1988-89 provincial expenditures of over $40 million will be provided to enhance the quality of air, water and land in this province.

- Spending of the Department of the Environment will increase by 16.7 percent, representing one of the largest increases of any department.
- The first phase of the Halifax Harbour cleanup will commence this year.
- Cleanup of the Sydney Tar Ponds will be underway this year.
- Increased funding for vital water and sewer projects will be provided.

Last year the Department of the Environment received the Report of the Minister's Task Force on Hazardous Waste Management. A number of recommendations have been implemented and the remainder will be dealt with in this year.

We have reached an agreement with the federal government respecting acid rain reduction. The province will be instituting a program to monitor and report sulfur dioxide emissions and acid rain depositions. We will also be instituting a number of public information and education programs.

Legislation to protect the environment

We have introduced seven pieces of legislation in this session of the Legislature to support the environmental enhancement of Nova Scotia.

These initiatives represent the major expenditures and commitments of our environmental enhancement program.

PRIVATE SECTOR INITIATIVES

The government firmly believes that a strong and resourceful private sector is the key to economic growth and prosperity within the province. Towards this end, we have endeavoured to listen and respond to the needs and ideas of Nova Scotia's business community when setting government policy and initiatives.

Attuned to the needs of Nova Scotia business

This approach has proven extremely successful in the past and it is our intention to expand these efforts even further in the future. To ensure the government is attuned to the diverse needs of Nova Scotia business, we have recently established separate Departments of Small Business Development and Industry, Trade and Technology.

The Department of Industry, Trade and Technology will be working towards improved economic growth and development in Nova Scotia. It will foster new and expanded enterprises within the province and improve the competitive position of Nova Scotia industry.

The Department of Small Business Development has been established to encourage men and women to become successful entrepreneurs. Through a wide range of programs and services it will be providing the advice and financial assistance necessary to promote continued growth and permanent job creation within the small business sector.

It is our intention that this distinction will enable government to target its resources to be even more aware and responsive to the changing needs of industry within Nova Scotia.

The 1988-89 fiscal plan reflects several new and expanded government initiatives directed towards assisting business in meeting the challenges now before them.

As part of our strengthening support for small business, the government will be providing over $16 million in funding for programs directly aimed at helping these enterprises develop and expand in the competitive market place.

Rural Industry Program expanded

Funds provided under the Rural Industry Program will be increased two-fold in the upcoming year. This additional support will greatly assist in the establishment and expansion of manufacturing, processing and various other business interests throughout Nova Scotia's rural community.

In a similar fashion, funding under the Consulting Assistance Program will be doubled in 1988-89 to ensure that more extensive advice and assistance is readily available to meet the planning and problem-solving needs of small business.

Increased support for women in business

As part of the government's commitment to enhancing opportunities for women, we are providing for a significant expansion in our financial support under the Women Entrepreneurs Program. Funding of three times the existing level will greatly assist women in identifying new market opportunities and acquiring the expertise necessary to ensure their success.

A new Market Opportunities Program is designed in this fiscal year to encourage both local manufacturers and service firms to establish new long-term markets outside the Maritimes. Special emphasis will be placed on the development of international marketing opportunities.

These are but a few of the several initiatives this government will be pursuing in the interest of industrial and small business enhancement throughout the upcoming year.

Continued support and strengthening of Nova Scotia's private sector today is fundamental to ensuring economic prosperity for generations to come.

TAXATION

No tax increases

There will be no tax increases in Nova Scotia this year. In fact, Nova Scotia taxpayers will be paying $38 million less in provincial personal income taxes in 1988 as a result of tax reform.

An additional 30,000 Nova Scotians will not pay income tax in 1988 and 355,000 Nova Scotians will benefit from lower income taxes.

Most taxpayers in this province will experience an increase in their take-home pay beginning in July.

Tax reform benefits Nova Scotians

While tax reform will result in a net decrease in provincial revenues, our government has chosen to **absorb this reduction and pass along the full benefit of tax reform to the people of this province.**

As well, there will be additional savings to Nova Scotians. Effective midnight tonight footwear costing less than $100 per pair will be exempt from the Health Services Tax.

The government will also be providing a rebate on the Health Services Tax paid on building materials used for the restoration of designated Heritage Properties. This reflects our strong commitment to assist people with the preservation of our important heritage.

CONCLUSION

The policies of the Government of Nova Scotia are working.

Our path towards elimination of the deficit has exceeded our original expectations.

We have not wavered from our commitment to meet the essential health, education and social needs of our citizens.

Promotion of resource development and job opportunities continues to be a major priority of the government.

Our environmental enhancement policies will ensure an improved quality of life.

We have been able to honor these commitments in an orderly and stable manner without resorting to any new or increased taxes and have assured that the full benefit of income tax reform will be passed on to Nova Scotians.

The budget presented today represents an action plan for the many initiatives outlined in the Speech from the Throne. These new and innovative measures have resulted from extensive consultations with Nova Scotians in all walks of life. We have listened to their views and responded in a sensitive and forthright manner. All this has been accomplished while honoring our commitment to sound fiscal management and a reduction in the deficit.

This budget demonstrates that our government has a good working partnership with the people of this province. We will continue to develop this relationship for the benefit of all Nova Scotians.

FINANCIAL AND SUPPLEMENTARY INFORMATION

to the Budget Address 1988-89

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ESTIMATES 1988-89 SUMMARY

BUDGETARY REQUIREMENTS – SUMMARY

Schedule 1

ACTUAL 1986-87	FORECAST 1987-88		ESTIMATE 1988-89
		CURRENT ACCOUNT	
3,093,046,530	3,278,118,500	Ordinary Expenditures	3,504,534,100
239,893,285	256,339,500	Ordinary Recoveries	289,828,100
2,853,153,245	3,021,779,000	Net Ordinary Expenditures	3,214,706,000
2,663,962,680	2,901,623,200	Ordinary Revenues	3,096,782,000
189,190,565	120,155,800		117,924,000
7,672,614	(533,000)	Prior Years' Adjustments – Federal-Provincial Fiscal Arrangements	–
181,517,951	120,688,800	Excess of Current Operating Expenditures Over Revenues and Recoveries	117,924,000
87,341,797	86,442,000	Sinking Fund Installments and Serial Retirements	91,092,000
		CAPITAL ACCOUNT	
242,071,554	268,055,800	Expenditure Program	375,170,700
44,481,592	41,199,900	Recoveries	87,049,600
197,589,962	226,855,900	Net Capital Expenditures	288,121,100
36,885	45,000	Advance under the Appropriations Act	45,000
197,626,847	226,900,900		288,166,100
466,486,595	434,031,700	Net Budgetary Requirements	497,182,100
28,145,212	(15,683,700)	Net Increase (Decrease) in Advances and Investments	1,125,100
494,631,807	**418,348,000**		**498,307,200**

ORDINARY REVENUES – SUMMARY

Schedule 2

ACTUAL 1986-87	FORECAST 1987-88	DEPARTMENT	ESTIMATE 1988-89
		ORDINARY REVENUES	
–	–	Advanced Education and Job Training	1,845,100
880,622	897,100	Agriculture and Marketing	905,800
15,427,585	15,668,700	Attorney General	15,770,000
–	–	Community Services	98,000
22,111,989	22,922,500	Consumer Affairs	23,617,000
8,136	6,000	Culture, Recreation and Fitness	–
35,975	35,100	Development	–
1,775,345	1,967,000	Education	1,866,000
734,658	757,100	Environment	815,100
2,560,369,406	2,795,018,000	Finance	2,985,559,000
176,632	155,800	Fisheries	157,500
1,463,770	1,410,000	Government Services	1,195,000
1,373,534	396,000	Health and Fitness	396,000
998,606	29,600	Housing	36,600
322,344	268,600	Labour	450,400
6,004,526	6,958,100	Lands and Forests	7,618,600
2,758,043	3,009,000	Mines and Energy	3,020,500
25,408	31,100	Municipal Affairs	31,000
2,042,651	1,993,300	Public Service	2,286,000
–	–	Small Business Development	35,500
93,741	110,300	Social Services	–
5,505,055	6,089,500	Tourism and Culture	6,995,900
40,175,472	42,133,000	Transportation and Communications	44,083,000
1,679,182	1,767,400	Vocational and Technical Training	–
2,663,962,690	**2,901,623,200**		**3,096,782,000**
		ORDINARY RECOVERIES	
–	–	Advanced Education and Job Training	18,144,300
8,249,300	9,211,000	Assistance to Universities	9,500,000
308,994	1,310,500	Agriculture and Marketing	2,958,800
38,192,559	41,871,000	Attorney General	3,386,700
–	–	Community Services	157,274,600
9,379,567	7,872,400	Development	–
4,632,524	4,764,100	Education	4,662,400
117,794	81,500	Environment	50,000
629,748	267,800	Finance	110,000
184,251	203,000	Fisheries	255,000
26,140,413	28,245,900	Health and Fitness	30,508,500
1,428,227	1,509,900	Housing	1,832,300
–	–	Industry, Trade and Technology	12,727,100
650,000	750,000	Labour	825,000
160,643	94,400	Lands and Forests	93,500
1,696,975	1,375,200	Mines and Energy	2,407,000
448,908	448,900	Municipal Affairs	1,067,000
371,627	442,500	Public Service	539,200
127,330,053	139,388,600	Social Services	–
–	–	Solicitor General	42,687,300
94,582	102,300	Tourism and Culture	110,600
–	97,500	Transportation and Communications	688,800
19,877,120	18,303,000	Vocational and Technical Training	–
239,893,285	**256,339,500**		**289,828,100**

ORDINARY EXPENDITURES – SUMMARY

Schedule 3

ACTUAL 1986-87	FORECAST 1987-88	DEPARTMENT AND SERVICE	ESTIMATE 1988-89
–	–	Advanced Education and Job Training	80,889,200
176,836,678	189,455,800	Assistance to Universities	200,955,000
31,137,669	36,808,400	Agriculture and Marketing	41,270,500
68,830,498	80,621,700	Attorney General	36,089,700
–	–	Community Services	360,474,600
3,617,523	4,319,800	Consumer Affairs	4,570,400
11,479,381	13,054,900	Culture, Recreation and Fitness	–
77,893,140	76,899,200	Development	–
583,521,504	614,420,200	Education	638,345,700
6,709,763	7,448,600	Environment	8,693,000
44,087,602	17,169,400	Finance	17,427,300
541,750,555	558,915,300	Debt Charges	574,223,000
7,392,338	8,926,000	Fisheries	8,891,100
35,253,044	37,499,300	Government Services	41,040,500
862,606,827	927,340,800	Health and Fitness	986,148,400
21,472,137	20,298,000	Housing	22,767,300
–	–	Industry, Trade and Technology	57,235,000
5,557,718	6,056,500	Labour	7,188,200
28,659,116	32,816,700	Lands and Forests	32,366,100
8,306,259	9,060,900	Mines and Energy	11,051,300
66,354,557	71,063,400	Municipal Affairs	74,804,500
42,544,896	45,195,900	Public Service	57,671,100
–	–	Small Business Development	39,075,500
293,554,575	319,520,000	Social Services	–
–	–	Solicitor General	55,214,300
14,033,363	16,303,400	Tourism and Culture	20,953,600
107,086,139	123,787,700	Transportation and Communications	127,188,800
54,361,248	61,136,600	Vocational and Technical Training	–
3,093,046,530	**3,278,118,500**		**3,504,534,100**

CAPITAL EXPENDITURES AND RECOVERIES – SUMMARY

Schedule 4

Estimate of Expenditure and Recovery of the Province of Nova Scotia
Chargeable to Capital Account for the fiscal year ending March 31, 1989

ACTUAL 1986-87	FORECAST 1987-88	DEPARTMENT	ANTICIPATED CARRY FORWARD AVAILABLE FROM 1987-88	ESTIMATE 1988-89	TOTAL PROGRAM 1988-89
		CAPITAL EXPENDITURES			
		FURNITURE AND EQUIPMENT			
–	–	Advanced Education and Job Training	–	1,200,000	1,200,000
393,524	1,280,000	Agriculture and Marketing	300,000	1,150,000	1,450,000
683,708	608,000	Attorney General	82,000	118,000	200,000
–	–	Community Services	–	250,000	250,000
7,803	8,000	Consumer Affairs	–	8,000	8,000
12,283	15,000	Development	–	–	–
78,364	133,200	Education	–	143,000	143,000
47,709	160,000	Environment	–	275,000	275,000
11,987	134,200	Finance	20,000	20,000	40,000
11,425	69,000	Fisheries	5,300	104,700	110,000
1,549,605	1,685,000	Government Services	–	2,600,000	2,600,000
48,287	52,000	Health and Fitness	2,000	97,000	99,000
13,807	14,000	Housing	–	65,000	65,000
–	–	Industry, Trade and Technology	–	15,000	15,000
35,147	50,000	Labour	–	30,000	30,000
420,895	767,600	Lands and Forests	–	732,000	732,000
113,275	195,000	Mines and Energy	–	140,000	140,000
10,390	25,000	Municipal Affairs	4,600	75,400	80,000
23,741	30,100	Public Service	–	287,000	287,000
–	–	Small Business Development	–	315,100	315,100
52,312	97,200	Social Services	–	–	–
–	–	Solicitor General	–	350,000	350,000
350,684	279,500	Tourism and Culture	–	250,000	250,000
131,667	215,000	Transportation and Communications	–	85,000	85,000
1,223,328	1,177,000	Vocational and Technical Training	–	–	–
5,219,941	6,994,800		413,900	8,310,200	8,724,100
		OTHER			
230,685	224,000	Agriculture and Marketing	70,000	390,000	460,000
3,159,426	8,094,200	Attorney General	–	–	–
31,215,483	51,086,500	Development	–	–	–
65,000	50,000	Education	–	165,000	165,000
298,496	861,000	Environment	–	1,080,000	1,080,000
–	–	Industry, Trade and Technology	–	119,686,600	119,686,600
4,466,034	5,579,200	Lands and Forests	–	7,660,900	7,660,900
2,000,000	4,500,000	Municipal Affairs	500,000	2,500,000	3,000,000
900,000	900,000	Public Service	–	900,000	900,000
–	–	Small Business Development	–	1,935,000	1,935,000
–	–	Solicitor General	–	200,000	200,000
–	724,000	Tourism and Culture	–	30,000	30,000
42,335,124	72,018,900		570,000	134,547,500	135,117,500

ACTUAL 1986-87	FORECAST 1987-88	DEPARTMENT	ANTICIPATED CARRY FORWARD AVAILABLE FROM 1987-88	ESTIMATE 1988-89	TOTAL PROGRAM 1988-89
		CAPITAL GRANTS			
8,288,122	987,000	Assistance to Universities	—	60,000	60,000
191,603	150,000	Attorney General	—	50,000	50,000
825,618	673,100	Development	—	—	—
8,483,740	9,340,100	Education	—	11,011,900	11,011,900
1,511,579	2,400,000	Environment	—	2,880,000	2,880,000
15,117,915	26,270,000	Health and Fitness	6,465,500	27,739,500	34,205,000
—	—	Industry, Trade and Tecnology	—	1,200,000	1,200,000
16,815,265	19,136,200	Municipal Affairs	5,477,500	19,522,500	25,000,000
6,950,000	6,874,800	Public Service	—	3,850,000	3,850,000
—	—	Small Business Development	—	178,200	178,200
—	—	Solicitor General	—	100,000	100,000
5,609,111	7,475,200	Transportation and Communications	—	8,880,600	8,880,600
63,792,953	73,306,400		11,943,000	75,472,700	87,415,700
79,003,152	91,607,700	TRANSPORTATION	3,698,600	112,714,800	116,413,400
51,720,384	24,128,000	PUBLIC WORKS AND SPECIAL PROJECTS	4,987,000	22,513,000	27,500,000
242,071,554	**268,055,800**	**Total Capital Expenditures**	**21,612,500**	**353,558,200**	**375,170,700**
		CAPITAL ADVANCES			
36,885	45,000	Agriculture and Marketing	—	45,000	45,000
36,885	**45,000**	**Total Capital Advances**	**—**	**45,000**	**45,000**
242,108,439	**268,100,800**	**Total to be Voted Under the Appropriations Act**	**21,612,500**	**353,603,200**	**375,215,700**
		CAPITAL RECOVERIES			
		FURNITURE AND EQUIPMENT			
—	—	Public Service	—	250,000	250,000
—	88,000	Social Services	—	—	—
—	88,000		—	250,000	250,000
		OTHER			
12,408,303	26,547,800	Development	—	—	—
—	—	Education	—	47,300	47,300
—	—	Industry, Trade and Technology	—	69,735,800	69,735,800
12,408,303	26,547,800		—	69,783,100	69,783,100
		CAPITAL GRANTS			
792,457	1,203,400	Transportation and Communications	—	1,880,600	1,880,600
792,457	1,203,400		—	1,880,600	1,880,600
6,853,116	2,208,700	TRANSPORTATION	—	11,413,400	11,413,400
24,427,716	11,152,000	PUBLIC WORKS AND SPECIAL PROJECTS	—	3,722,500	3,722,500
44,481,582	**41,199,900**	**Total Capital Recoveries**	**—**	**87,049,600**	**87,049,600**

STATUTORY CAPITAL ITEMS – SUMMARY

Schedule 5

ACTUAL 1986-87	FORECAST 1987-88	CAPITAL ADVANCES AND INVESTMENTS	ESTIMATE 1988-89
		ADDITIONAL ADVANCES AND INVESTMENTS	
8,774,863	12,595,000	Fisheries Development Fund	10,000,000
3,474,197	7,577,000	Industrial Development Act	–
10,570,895	5,600,000	Industrial Estates Limited	–
4,893,146	5,356,000	Industrial Loan Act	–
–	–	Nova Scotia Business Capital Corporation	28,591,000
15,188,200	14,000,000	Nova Scotia Farm Loan Board	14,000,000
45,038,606	51,044,000	Housing Development Fund	47,517,600
49,138,882	–	Nova Scotia Power Corporation Act	–
4,962,834	4,600,000	Small Business Development Fund	5,000,000
5,805,554	8,541,000	Universities Assistance Act	8,651,000
2,621,333	2,063,000	Venture Corporations Act	1,180,000
5,000	–	Miscellaneous	–
150,473,510	**111,376,000**		**114,939,600**
		REPAYMENTS	
17,222,413	14,500,000	Fisheries Development Fund	14,500,000
5,785,809	6,544,000	Industrial Development Act	6,500,000
12,695,084	15,000,000	Industrial Estates Limited	7,783,000
5,493,916	4,575,000	Industrial Loan Act	7,017,000
244,250	229,300	Municipal Hospitals Loan Act	229,300
1,532,864	1,578,300	Municipal Loan and Building Fund Act	1,568,400
–	–	Nova Scotia Business Capital Corporation	2,500,000
12,882,204	12,600,000	Nova Scotia Farm Loan Board	11,500,000
46,751,888	47,911,000	Housing Development Fund	51,479,000
2,224,976	300,000	– Nova Scotia-Canada, Home Insulation Program	150,000
4,324,478	4,101,000	Nova Scotia Power Corporation Act	4,227,000
447,883	185,000	School Loan Fund Act	–
3,518,349	3,050,000	Small Business Development Fund	2,500,000
6,825,356	14,175,000	Universities Assistance Act	2,274,000
3,000	–	Venture Corporations Act	200,000
2,375,828	2,311,100	Miscellaneous	1,386,800
122,328,298	**127,059,700**		**113,814,500**
904,352	**2,490,000**	CAPITAL EXPENDITURE	**2,000,000**

NOTE: Statutory Capital Items for which no vote is required under the Appropriations Act.

FINANCIAL STATISTICS

HISTORICAL ANALYSIS OF GROSS REVENUES BY SOURCE

Schedule 6

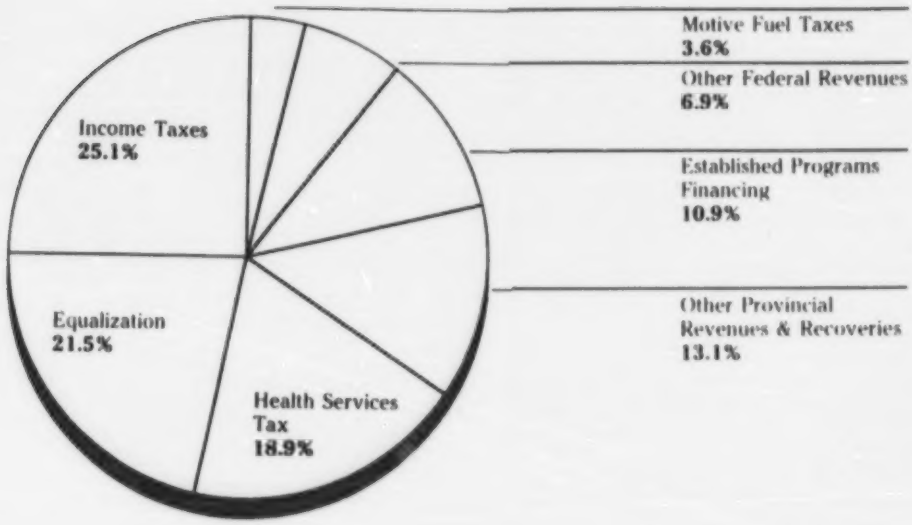
	1984-85	1985-86	1986-87	FORECAST 1987-88	ESTIMATE 1988-89
Provincial Sources (thousands of dollars)	1,412,439	1,560,095	1,675,308	1,861,144	1,943,231
Income Taxes	557,797	648,036	686,963	802,848	827,423
Health Services Tax	432,807	495,270	544,709	603,000	650,000
Motive Fuel Taxes	118,360	124,451	114,104	116,500	117,000
Liquor Commission Profits	79,551	82,453	83,452	85,000	88,800
Interest Revenues	78,062	73,303	78,166	71,510	72,600
Registry of Motor Vehicles	33,380	34,325	39,224	41,135	43,069
Other Provincial Sources	112,482	102,257	128,690	141,151	144,339
Federal Sources (thousands of dollars)	1,145,569	1,139,254	1,209,823	1,258,678	1,445,102
Equalization	622,744	621,338	651,840	688,614	773,000
Established Programs Financing	334,610	337,608	341,390	349,081	378,300
Shared Cost Programs	184,912	177,709	213,428	218,402	291,276
Other Federal Sources	3,303	2,599	3,165	2,581	2,526
Other Recoveries (thousands of dollars)	56,510	61,735	70,880	78,808	85,326
Total Gross Revenues	**2,614,518**	**2,762,084**	**2,956,011**	**3,198,630**	**3,473,659**
Provincial Sources (as a percent of Total Gross Revenues)	54.0	56.5	56.7	58.2	55.9
Income Taxes	21.3	23.5	23.2	25.1	23.8
Health Services Tax	16.6	17.9	18.4	18.9	18.7
Motive Fuel Taxes	4.5	4.5	3.9	3.6	3.4
Liquor Commission Profits	3.0	3.0	2.8	2.7	2.6
Interest Revenues	3.0	2.7	2.6	2.2	2.1
Registry of Motor Vehicles	1.3	1.2	1.3	1.3	1.2
Other Provincial Sources	4.3	3.7	4.5	4.4	4.1
Federal Sources (as a percent of Total Gross Revenues)	43.8	41.3	40.9	39.3	41.6
Equalization	23.8	22.5	22.1	21.5	22.3
Established Programs Financing	12.8	12.2	11.5	10.9	10.9
Shared Cost Programs	7.1	6.5	7.2	6.8	8.3
Other Federal Sources	0.1	0.1	0.1	0.1	0.1
Other Recoveries (as a percent of Total Gross Revenues)	2.2	2.2	2.4	2.5	2.5
Total Gross Revenues	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

NOTE: Gross Revenues include Ordinary Revenues, Ordinary and Capital Recoveries and Prior Years' Adjustments.

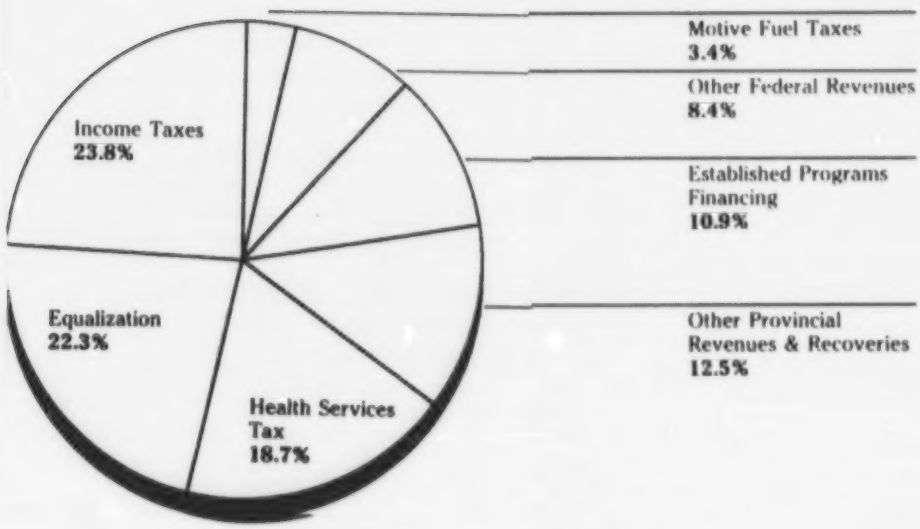
GROSS REVENUES BY SOURCE

Chart 1

1987-88



1988-89



NOTE: Gross Revenues include Ordinary Revenues, Ordinary and Capital Recoveries and Prior Years' Adjustments.

HISTORICAL ANALYSIS OF GROSS EXPENDITURES BY FUNCTION

Schedule 7

Function (thousands of dollars)	1984-85	1985-86	1986-87	FORECAST 1987-88	ESTIMATE 1988-89
General Government	101,370	103,503	121,493	89,806	103,397
Public Protection	72,000	78,936	102,089	127,148	133,963
Transportation and Communications	247,312	225,059	195,675	229,429	259,323
Resource Development	230,830	231,655	226,941	212,043	310,315
Health	782,941	849,507	906,608	971,424	1,036,178
Social Services	277,784	292,451	307,683	329,359	367,768
Education	750,361	768,051	837,610	868,380	934,098
Culture and Recreation	31,169	31,669	31,911	35,664	49,367
Services to the Public Debt	535,953	616,429	645,563	663,813	687,020
Municipal Affairs	89,057	78,243	75,973	92,401	92,537
Total Gross Expenditures	**3,118,777**	**3,275,503**	**3,451,546**	**3,619,467**	**3,973,966**

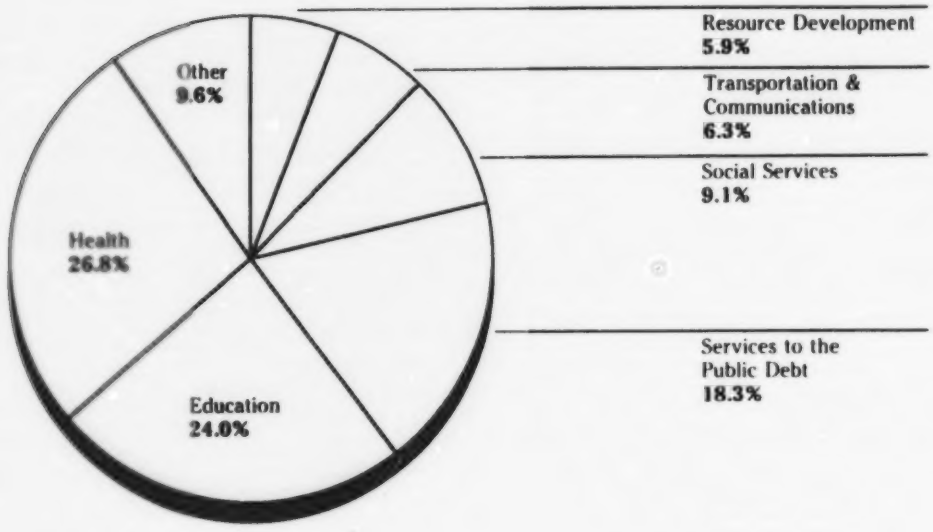
Function (as a percent of Total Gross Expenditures)					
General Government	3.2	3.2	3.5	2.5	2.6
Public Protection	2.3	2.4	3.0	3.5	3.4
Transportation and Communications	7.9	6.9	5.6	6.3	6.5
Resource Development	7.4	7.1	6.6	5.9	7.8
Health	25.1	25.9	26.3	26.8	26.1
Social Services	8.9	8.9	8.9	9.1	9.3
Education	24.1	23.4	24.3	24.0	23.5
Culture and Recreation	1.0	1.0	0.9	1.0	1.2
Services to the Public Debt	17.2	18.8	18.7	18.3	17.3
Municipal Affairs	2.9	2.4	2.2	2.6	2.3
Total Gross Expenditures	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

NOTE: Gross Expenditures include Ordinary and Capital Expenditures, Sinking Fund Installments and net increase (decrease) in Capital Advances and Investments.

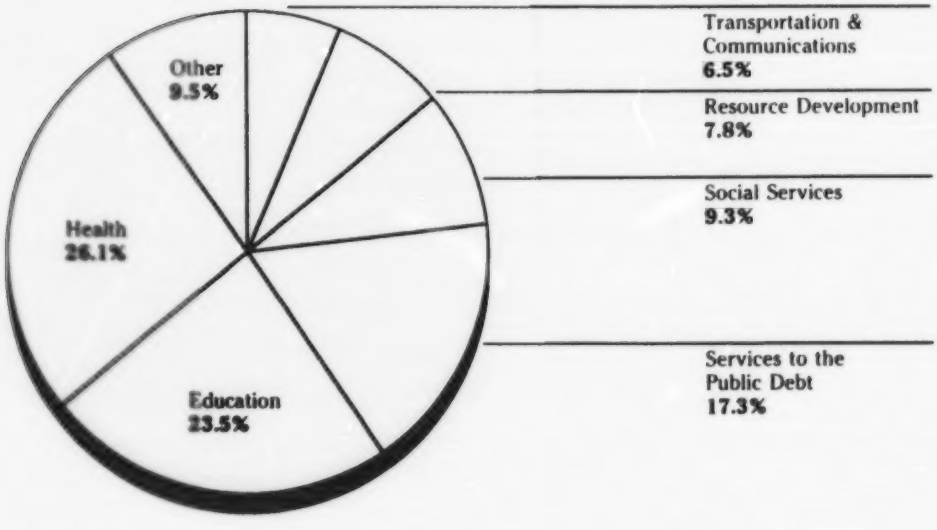
GROSS EXPENDITURES BY FUNCTION

Chart 2

1987-88



1988-89



NOTE: Gross Expenditures include Ordinary and Capital Expenditures, Sinking Fund Installments and net increase (decrease) in Capital Advances and Investments.

GROSS ORDINARY EXPENDITURES BY FUNCTION

Schedule 8

Function (thousands of dollars)	1984-85	1985-86	1986-87	FORECAST 1987-88	ESTIMATE 1988-89
General Government	96,732	99,102	105,346	84,735	96,382
Public Protection	69,661	77,290	97,465	116,302	130,146
Transportation and Communications	113,706	114,464	110,027	127,539	131,229
Resource Development	177,645	190,955	147,355	154,953	173,985
Health	760,369	822,246	871,302	936,941	998,655
Social Services	277,693	292,307	307,525	328,946	367,273
Education	737,530	757,909	806,287	856,622	911,267
Culture and Recreation	24,344	28,709	29,944	31,202	33,980
Services to the Public Debt	535,953	616,429	645,563	663,813	687,020
Municipal Affairs	61,264	61,337	59,574	63,507	65,689
Total Gross Expenditures	**2,854,897**	**3,060,748**	**3,180,388**	**3,364,560**	**3,595,626**

NOTE: Includes Ordinary Expenditures and Sinking Fund Installments.

GROSS CAPITAL EXPENDITURES BY FUNCTION

Schedule 9

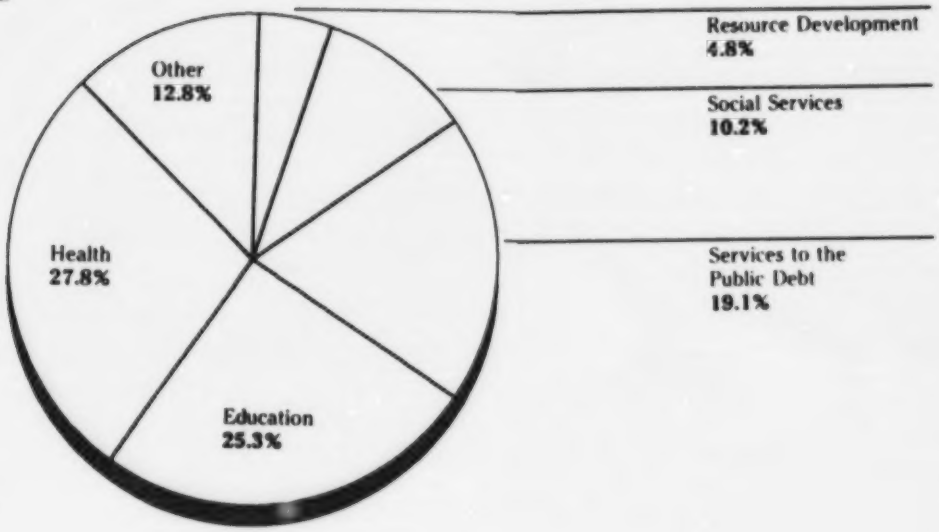
Function (thousands of dollars)	1984-85	1985-86	1986-87	FORECAST 1987-88	ESTIMATE 1988-89
General Government	4,638	4,401	16,147	5,070	7,015
Public Protection	2,339	1,646	4,624	10,846	3,817
Transportation and Communications	133,606	110,595	85,648	101,890	128,094
Resource Development	53,185	40,700	79,586	57,090	136,330
Health	22,572	27,261	35,306	34,484	37,523
Social Services	91	144	158	413	495
Education	12,831	10,142	31,323	11,758	22,831
Culture and Recreation	6,825	2,960	1,967	4,462	15,387
Municipal Affairs	27,793	16,906	16,399	28,894	26,848
Total Gross Expenditures	**263,880**	**214,755**	**271,158**	**254,907**	**378,340**

NOTE: Includes Capital Expenditures and net increase (decrease) in Capital Advances and Investments.

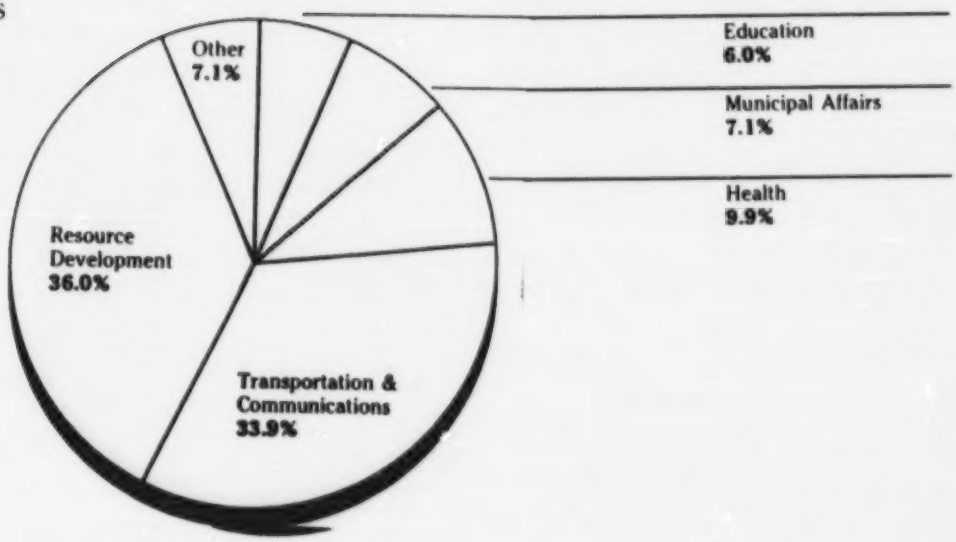
GROSS ORDINARY AND CAPITAL EXPENDITURES BY FUNCTION

Chart 3

ORDINARY EXPENDITURES
1988-89



CAPITAL EXPENDITURES
1988-89



NOTE: Gross Expenditures include Ordinary and Capital Expenditures, Sinking Fund Installments and net increase (decrease) in Capital Advances and Investments.

TRANSFER PAYMENTS FROM THE GOVERNMENT OF CANADA

Schedule 10

(millions of dollars)

FISCAL YEAR	UNCONDITIONAL TRANSFERS[1]	CONDITIONAL TRANSFERS[2]	TOTAL TRANSFERS	ANNUAL PERCENT CHANGE	PERCENT OF TOTAL GROSS REVENUES
1978-79	562	165	727	11.2	51.2
1979-80	640	159	799	9.9	50.2
1980-81	688	157	845	5.8	47.9
1981-82	799	164	963	14.0	48.6
1982-83	837	161	998	3.7	45.9
1983-84	916	178	1,094	9.6	45.2
1984-85	961	185	1,146	4.8	43.8
1985-86	962	178	1,140	(0.5)	41.3
1986-87	996	213	1,209	6.1	40.9
1987-88 F	1,040	218	1,258	4.1	39.3
1988-89 E	1,154	291	1,445	14.9	41.6

1 Unconditional Transfers which currently include Equalization Payments, Established Programs Financing Cash Transfers and Statutory Subsidies, constitute those payments from the Federal Government that may be spent in any manner.

2 Conditional Transfers constitute those payments from the Federal Government that must be spent on the specific programs for which the transfers are made. In essence, the Conditional Transfers pertain to shared-cost programs.

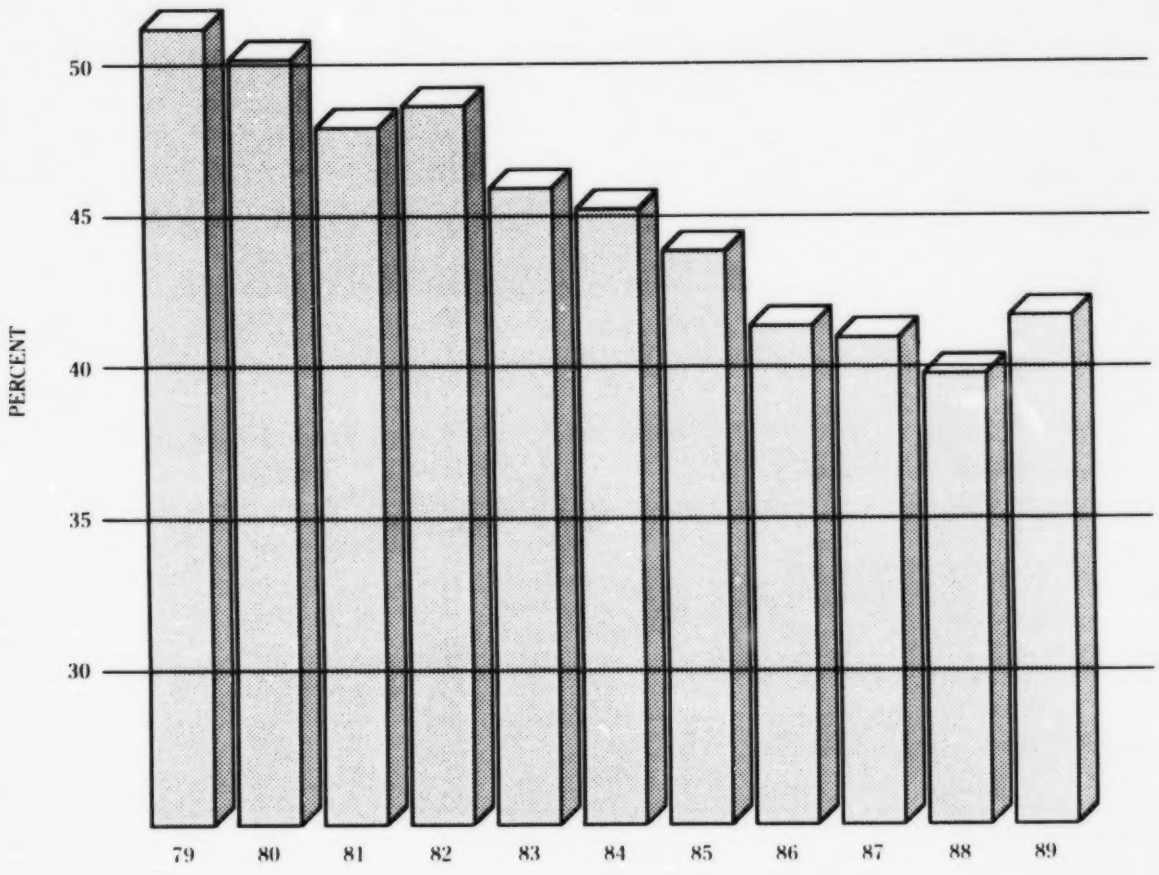
F Forecast

E Estimate

NOTE: Gross Revenues include Ordinary Revenues, Ordinary and Capital Recoveries and Prior Years' Adjustments.

TRANSFERS FROM THE GOVERNMENT OF CANADA AS A PERCENT OF TOTAL GROSS REVENUES

Chart 4



FISCAL YEAR ENDING MARCH 31

SUMMARY OF ORDINARY REVENUES AND EXPENDITURES BY SOURCE AND FUNCTION

Schedule 11

(thousands of dollars)

	ESTIMATE 1987-88	FORECAST 1987-88	ESTIMATE 1988-89
ORDINARY REVENUES AND RECOVERIES BY SOURCE			
Provincial Sources			
Income Taxes	735,552	774,338	827,423
Health Services Tax	626,200	603,000	650,000
Motive Fuel Taxes	120,250	116,500	117,000
Liquor Commission Profits	88,100	85,000	88,800
Interest Revenues	66,562	71,510	72,600
Registry of Motor Vehicles	40,183	41,135	43,069
Other Provincial Sources	133,771	135,726	144,339
Federal Sources			
Equalization	674,000	708,091	773,000
Established Programs Financing	362,000	364,072	378,300
Shared Cost Programs	177,257	178,761	206,282
Other Federal Sources	2,297	2,403	2,352
Other Recoveries	78,271	77,427	83,445
Total Ordinary Revenues and Recoveries	**3,104,443**	**3,157,963**	**3,386,610**
ORDINARY EXPENDITURES BY FUNCTION			
General Government	85,151	84,735	96,382
Public Protection	115,245	116,302	130,146
Transportation and Communications	122,882	127,539	131,229
Resource Development	158,080	154,953	173,985
Health	923,593	936,941	998,655
Social Services	327,131	328,946	367,273
Education	861,658	856,622	911,267
Culture and Recreation	31,152	31,202	33,980
Interest on the Public Debt	599,660	577,372	595,928
Municipal Affairs	65,146	63,507	65,689
Total Ordinary Expenditures	**3,289,698**	**3,278,119**	**3,504,534**
Prior Years' Adjustments – Federal-Provincial Fiscal Arrangements	—	(533)	—
Excess of Current Expenditures Over Revenues and Recoveries	185,255	120,689	117,924
Sinking Fund Installments and Serial Retirements	86,377	86,442	91,092

ECONOMIC INDICATORS

GROSS DOMESTIC PRODUCT AT MARKET PRICES

Schedule 12

(millions of dollars)

YEAR	NOVA SCOTIA[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1978	5,569.0	13.3	241,499.0	11.5
1979	6,092.0	9.4	276,132.0	14.3
1980	6,292.0	3.3[2]	309,680.0	12.1
1981	7,345.0	16.7	355,647.0	14.8
1982	8,462.0	15.2	373,898.0	5.1
1983	9,629.0	13.8	403,262.0	7.9
1984	10,706.0	11.2	443,778.0	10.0
1985	11,670.0	9.0	477,092.0	7.5
1986	12,577.0	7.8	507,808.0	6.4
1987	13,445.0$_p$	6.9	551,479.0$_p$	8.6
1988	14,225.0$_p$	5.8	590,635.0$_p$	7.1

1 Source - Nova Scotia Department of Industry, Trade and Technology

2 Gross Domestic Product at market prices represents the value added by each of the factors of production plus indirect taxes less subsidies. The substantial increase in the value of subsidies paid to importers of crude oil and petroleum products in 1980 in Nova Scotia had a proportionately greater impact on Nova Scotia Gross Domestic Product at market price than the impact of such subsidies on Gross Domestic Product at market price for Canada as a whole.

p Preliminary Projections; Source: Nova Scotia Department of Industry, Trade and Technology

CONSUMER PRICE INDEX

(1981 = 100.00)

Schedule 13

YEAR	HALIFAX[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1978	74.2	7.7	73.9	8.8
1979	80.8	8.9	80.7	9.2
1980	89.4	10.6	88.9	10.2
1981	100.0	11.9	100.0	12.5
1982	109.6	9.6	110.8	10.8
1983	116.8	6.6	117.2	5.8
1984	121.9	4.4	122.3	4.4
1985	127.3	4.4	127.2	4.0
1986	131.7	3.5	132.4	4.1
1987	136.4	3.6	138.2	4.4
1988	141.8_p	4.0	145.0_p	4.9

1 Source – Statistics Canada: "The Consumer Price Index"

p Preliminary Projections; Source: Nova Scotia Department of Industry, Trade and Technology

NOTE: The Consumer Price Index measures the percentage change through time in the cost of purchasing a constant "basket" of goods and services representing the purchases made by a particular population group in a specified time period. The Consumer Price Index used in this table is an annual average of the monthly indices.

PERSONAL INCOME PER CAPITA

(dollars)

Schedule 14

YEAR	NOVA SCOTIA[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1978	6,538.0	11.7	8,299.0	10.5
1979	7,213.0	10.3	9,242.0	11.4
1980	7,858.0	8.9	10,352.0	12.0
1981	8,994.0	14.5	12,046.0	16.4
1982	10,182.0	13.2	13,188.0	9.5
1983	10,977.0	7.8	13,840.0	4.9
1984	11,985.0	9.2	14,925.0	7.8
1985	12,969.0	8.2	16,082.0	7.8
1986	13,899.0	7.2	17,060.0	6.1
1987	$14,812.0_p$	6.6	$18,026.0_p$	5.7
1988	$15,638.0_p$	5.6	$19,197.0_p$	6.5

1 Source – Nova Scotia Department of Industry, Trade and Technology

p Preliminary Projections; Source: Nova Scotia Department of Industry, Trade and Technology

LABOUR FORCE

(thousands of persons)

Schedule 15

YEAR	NOVA SCOTIA[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1978	338.0	3.4	10,895.0	3.8
1979	346.0	2.4	11,231.0	3.1
1980	356.0	2.9	11,573.0	3.0
1981	359.0	0.8	11,904.0	2.9
1982	361.0	0.6	11,958.0	0.5
1983	369.0	2.2	12,183.0	1.9
1984	387.0	4.9	12,399.0	1.8
1985	391.0	1.0	12,639.0	1.9
1986	398.0	1.8	12,870.0	1.8
1987	405.0	1.8	13,121.0	2.0
1988	409.0_p	1.0	$13,383.0_p$	2.0

1 Source – Statistics Canada: "Historical Labour Force Statistics"

p Preliminary Projections; Source: Nova Scotia Department of Industry, Trade and Technology

EMPLOYMENT

(thousands of persons)

Schedule 16

YEAR	NOVA SCOTIA[1]	ANNUAL PERCENT CHANGE	CANADA[1]	ANNUAL PERCENT CHANGE
1978	303.0	3.8	9,986.0	3.5
1979	311.0	2.6	10,395.0	4.1
1980	321.0	3.2	10,709.0	3.0
1981	322.0	0.3	11,006.0	2.8
1982	313.0	(2.8)	10,648.0	(3.3)
1983	320.0	2.2	10,731.0	0.8
1984	337.0	5.3	11,000.0	2.5
1985	337.0	—	11,311.0	2.8
1986	344.0	2.1	11,634.0	2.9
1987	354.0	2.9	11,955.0	2.8
1988	361.0_p	2.0	$12,230.0_p$	2.3

1 Source – Statistics Canada: "Historical Labour Force Statistics"

p Preliminary Projections; Source: Nova Scotia Department of Industry, Trade and Technology

UNEMPLOYMENT

Schedule 17

(thousands of persons)

YEAR	NOVA SCOTIA[1]		CANADA[1]	
	UNEMPLOYED	UNEMPLOYMENT RATE %	UNEMPLOYED	UNEMPLOYMENT RATE %
1978	36.0	10.4	908.0	8.3
1979	35.0	10.1	836.0	7.4
1980	35.0	9.7	865.0	7.5
1981	36.0	10.3	898.0	7.5
1982	47.0	13.1	1,314.0	11.1
1983	49.0	13.2	1,448.0	11.9
1984	51.0	13.1	1,399.0	11.3
1985	54.0	13.8	1,328.0	10.5
1986	53.0	13.4	1,236.0	9.6
1987	51.0	12.5	1,167.0	8.9
1988	48.0_p	11.7	$1,153.0_p$	8.6

1 Source – Statistics Canada: "Historical Labour Force Statistics"

p Preliminary Projections; Source: Nova Scotia Department of Industry, Trade and Technology

NOTE: The Unemployment Statistics shown in this table are annual averages of the monthly indices.